App. F. IX-4

Previous References

1936-7
(-37)

File No. 100-36

Serial Nos. 1-3

97/79-350-5)

P. 48.
- B

Letter References.

97-89-37-3

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. Three

Part B for December 1936

SUBJECT.

Report on the resource operations of the State for the year ending 30th June 1936

3 20:M 3596-655 9 1-12-36
To The Heads of Depts.
& Comptroller

WD 0418—GPB—22,500—29-8-36

Receives the Report

GENERAL AND REVENUE SECRETARIAT.

(R.F.)

NOTES.

File No. 100 - 36.

FILE HEADING.

Revenue Officers' Tour Programmes for 1935-36

FROM The Commissioner.

No. [illegible] Dated 25-7-35 Received 28/7/35

Diary No. 1176	Enclos.	Spare copies	Serial No.

BRIEF ABSTRACT OF LETTER

Forwards a list of the Revenue Officers Tour Programmes for May 1936.

NOTES AND ORDERS.

Draft Receipt

D.S.N.K

a Draft to Supdt Govt Printing are put up for orders.

2 Issue & put up

9/11

9 NOV 1935

REVENUE

8741/36 M/.

No. 10588/J/10.11.36 to the Supdt Govt Printing

Copy to Commr.

P.T.O.

NOTES—First Sheet

Revenue Operations for 1936-36.

File No. 100 of 1936.

General and Revenue Secretariat

Records with Draft Reports of D.S.N.

(Hd Secy) NW 12/11

P2/X1

(3/11

Please put up typed draft & D.O. NW 14/11

DEWAN'S OFFICE
NOV. 1936
No. 1141

1936

Typing section WC. 14/11

Typed draft Reports of D.S.N. Partap

(Hd Secy) NW 16/11

16/X1/36 (Dewan)

16/11

NW 17/11

Submitted to His Highness.

I beg to submit herewith for the gracious perusal of His Highness, the Comptroller's report on the Resource operations of the State during the year 1935-36, together with a draft Government review thereon.

Mirza M. Ismail

Bangalore, DEWAN.

17th November 1936.

Record of Cases submitted for the Orders of His Highness the Maharaja.

Subject.

Report on the Resource Operations of the State during the year 1935-36 and draft Government review thereon.

C Secy
MS
19-11-36
MS
19/11

101

Order.

~~KRW~~
18/11/36

D 1176

General and Revenue Secretariat.

1176/R

SUBJECT:- Report on the Resource Operations of the State during the year 1935-36 & draft for review thereon.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness'* orders before/after issue of orders. (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

Chief Secretary to Government.

Through the Secretary to Government,

Financial Department.

3396/24/11

FIRST MEMBER OF COUNCIL.

24/11

3591/23.11.36.

SECOND MEMBER OF COUNCIL.

24/11/36

TYPING SECTION, GENL. SECTT. 26 NOV. 1936

Financial Secretary
With Compliments

25/11

Issued 26/11

NOTE.—Contn. sheet.

Serial No.

3. No Pe 3596-655-7 1.12.36 to all Complt Secretaries to Govt, other Heads of Depts, Revenue Secy of Orissa & Supdt. Govt printing, Revenue to Report with Certain observations.

Press Secy 7/12

4. Bapu Receipt of Printed Copies & issue to all the addressees

MM 9/1

WD 01955—GPE—22,500—12-6-34.

G.7.100361

In reply please quote reference to No. 388/...Books

OFFICE OF THE COMPTROLLER TO THE GOVERNMENT
OF HIS HIGHNESS THE MAHARAJA OF MYSORE,

Bangalore, dated 25th September *193*6.

FINANCIAL SECRETARY
28 SEP 1936
No. W

FROM

A. N. RAGHAVACHAR, ESQ., M.A.,
Comptroller to the Government of
His Highness the Maharaja of Mysore,
Bangalore.

1936
1176
REV. SECTT.

To

S. Shamanna Esq., B.A.,
Financial Secretary to the Government of Mysore,
Bangalore

SIR,

I have the honor to forward herewith, for the information of Government, the accompanying Report on the Resource Operations of the State for the year ended 30th June 1936.

I have the honor to be,

Sir,

Your most obedient servant,

Comptroller

CV

Report on the Resource operations of the State for the year ended 30th June 1936.

Comparison of Balances

The cash balance in treasuries and banks at the beginning of each month during 1935-36, as compared with the corresponding balance in 1934-35, is detailed in Statement "A" appended. The balances in treasuries were generally more during the year than in the previous two years, the average monthly balance in the year being Rs 40.36 lakhs against Rs 38.33 and Rs 38.50 lakhs in the years 1934-35 and 1933-34 respectively. The monthly average of the total balance was Rs 90.58 lakhs as against Rs 83.73 lakhs in 1934-35 and Rs 91.17 lakhs in 1933-34.

TREASURIES AND BANKS

2. The balances held in treasuries were more than the normal balances prescribed throughout the year and increases are particularly noticeable in the balances held on 1st July 1935 and on the 1st of each of the four months from March to June 36. These may, however, be attributed to the fact that the revenue collections begin to flow into the treasuries generally in the last days of the month, too late to be remitted to Bangalore. The increases in other months range from Rs 2.31 lakhs to Rs 5.80 lakhs. Although the minimum balances can only be regarded as a guide to the treasuries in regulating their balances, and although the question of maintenance of balances in treasuries depends upon the varying demands on the treasuries that might arise in different periods, the need for the treasu-ries keeping a constant and regular watch over the balances cannot but be reiterated. In the review of last year's report Government have emphasized the need for Treasury Officers exercising greater vigilance to see that all funds in excess of the prescribed level are remitted to Bangalore in time.

3. The balances in current accounts with Banks in India were less in some months and more in some other months as compared with those of the corresponding periods of last year. The large increase in the balances from March to June 1936 was -

chiefly due to additional cash received during the period on account of the 3% Loan of 1956-61. The money was allowed to be continued in the current account with the Banks, as the yield on Treasury Bills was less than the interest allowed by the Banks on current account balances, and as the Banks would not accept deposits for periods less than one year. The issue of Treasury bills had also been stopped for some time. In spite of the - - difficulty in finding suitable temporary investments, a sum of Rs 16 lakhs was fixed with Banks for one year - - during the period February to April 1936 carrying interest at rates varying from 1½ per cent to 2½ per cent per - - annum.

4. The balances in the current account with Messrs Coutts & Co., London, which include also balances in the Berlin Bank, were generally more than those of the - - corresponding periods of last year, except in the months of December 1935, March, May and June 1936. This is partly due to the fact that, during 1934-35, the transactions in the Berlin Bank were incorporated in the - - General Books only from February 1935 while, during 1935-1936, they are being booked regularly every month and that further, owing to the restrictions placed on the -- transfer of funds in the Berlin Bank, the balances there which ranged from about ¾ lakh to about Rs 1¾ lakhs - - remained practically ineffective.

Payment of Subsidy to the British Government

5. The first instalment of the subsidy of Rs 12½ lakhs due on the 31st January 1936 to the Government of India was paid on the due date as under :-

In Cash	...	Rs 9,35,130- 4- 2
By adjustment of the surplus revenue of the Assigned Tract for 1934-35	...	Rs. 2,89,869-11- 10
	Total...	Rs.12,25,000-0-0

The second instalment of the subsidy of Rs 12 ¼ lakhs due on the 31st March 1936 was paid on the due date.

Cash Transactions of the year.

6. The balance at the commencement of the year was Rs 101.42 lakhs and that at the close of the year was Rs 154.11 lakhs. At the beginning of the year, there were Treasury Bills of the nominal value of Rs 14.75 lakhs and Fixed Deposits of Rs 14.20 lakhs making a total of Rs 28.95 lakhs. At the close of the year, the amount held in Fixed Deposits aggregated Rs 22.67 lakhs and there were no treasury bills on hand. A summary of the transactions of the year, as per preliminary accounts, is given below :-

Heads	Incomings (In thousands of rupees)	Outgoings (In thousands of rupees)
Total Revenue	3,81,63	...
Total expenditure charged to Revenue	..	371, 93
Contribution by District Boards or Railway Companies for construction of Railways	2	
Commutation of pensions (Net)		1,10
Gain on sale or discharge of Sterling Securities	17,13	
Capital outlay not charged to Revenue		26,70
Investment Account (Net)	1,16,20	...
Permanent and Temporary Debt (Net)		1,13,62
Unfunded Debt (Net)	29,03	
Reserve Funds (Net)	22,80	
Local and other Funds (Net)	24	
Deposits (Net)	12,35	
Advances (Net)		8,06
Loans (Net)		7,36
Other Debt Heads (Net)	2,06	-
Total	5,81,45	5,28, 77
Net incomings		52, 69
Grand Total	5,81,46	5,81, 46

The above statement shows that there was a net incoming of cash to the extent of Rs 52.69 lakhs as a result of the operations of the year which may be attributed chiefly as due to the flotation of the new 3 per cent 1956-61 Loan.

Interest realised on Balances in current Account with Banks and Temporary Investments

7. The following statement shows the amount of interest realised on (i) monthly balances with the Imperial Bank of India, Bangalore, the Bank of Mysore Limited, Bangalore and Messrs Coutts & Co., London and (ii) Fixed Deposits and Treasury Bills, as compared with those realised during the previous two years.

Banks		Interest on Current A/cs	Interest on Temporary deposits including Treasury Bills.	Total
Imperial Bank of India, Bangalore	1933-34	11,462	57,992	69,454
	1934-35	4,344	21,847	26,191
	1935-36	11,025	6,453	17,478
Bank of Mysore, Ltd. Bangalore	1933-34	27,953	---	27,953
	1934-35	33,789	---	33,789
	1935-36	32,802	---	32,802
Imperial Bank of India, Bombay	1933-34	---	2,500	2,500
	1934-35	---	3,000	3,000
	1935-36	---	3,000	3,000
Messrs Coutts & Co., London	1933-34	747	1,417	2,164
	1934-35	1,844	425	2,269
	1935-36	2,784	52,487	55,271
State Huzur Treasury	1935-36		7,893 (a)	7,893
Adjustments	1933-34		7,114 *	7,114
	1934-35		---	---
	1935-36		4,960 (b)	4,960
Total	1933-34	40,162	69,023	1,09,185
	1934-35	39,977	25,272	65,249
	1935-36	46,611	74,793	1,21,404

* Represents premia realised in respect of Government of India three months Treasury Bills of the nominal value of Rs 13½ lakhs tendered for conversion to the 3½% 1947-50 Loan (2nd issue) in June 34.

(a) Represents interest realised on two 5½ % seven year Fixed deposits for Rs 134,400/- and Rs 152,600 for the half years ended 5-7-35 & 3-8-35 respectively.

(b) Accrued interest on the 2 seven year deposits referred to above on the date of their cancellation viz. 13-11-35.

It will be seen that the interest realised both on current accounts and on deposits including Treasury Bills was more than in the previous two years. This is attributable to the large amount of money kept either in short term investments or in current accounts so as to make it available on 1-4-1936 for the discharge of the M. & S.M. Railway 4 per cent debenture stock.

Savings Bank Transactions and Balances

~~Savings Bank Current deposits~~

8. The balances in Savings Bank Current and Fixed deposits during 1935-36, compared with the corresponding balances -- in 1934-35, are detailed in Statement 'B' appended.

Savings Bank Current deposits

9. The balances in the Savings Bank current accounts which stood at Rs 161.50 lakhs at the commencement of the year rose to Rs 169.39 lakhs at the end of the year, including the sum of Rs 3.22 lakhs adjusted towards interest for the year. Excluding the amount adjusted towards interest, the net incoming under the head amounts to Rs 4.57 lakhs

In view of the easy money conditions that prevailed during the year, the question of revision of interest rates on these deposits was taken up and Government, in their order No. Fl. 8801-60/G.F. 310-35-1 dated 26-6-1936, directed that, with effect from 1st July 1936, and until further orders, the following rates of interest be allowed on call deposits in the Government savings Banks :-

(1) Two and a half per cent per annum on balances up to Rs 10,000.

(2) One and three-fourths per cent per annum on balances in excess of Rs 10,000 and upto Rupees 1 lakh.

(3) Three-fourths per cent per annum on balances in excess of Rs 1 lakh, upto Rupees 2 lakhs.

(4) No interest on balances in excess of Rupees 2 lakhs.

(5) In respect of accounts opened for Public and Quasi Government funds, interest at one and three-fourths per cent per annum will be allowed on balances in excess of Rs 10,000

up to any amount, in addition to interest at two and a half per cent on balances up to Rupees 10,000, as a special case.

Five year savings Bank Fixed Deposits

10. The balance at the commencement of the year under this head was Rs 105.04 lakhs and Rs 111.56 lakhs at the end of the year. The rate of interest at which these deposits were accepted during the year was 3 per cent per annum. This rate has been since reduced to 2 ½ per cent per annum from 1st July 1936. The total amount of deposits received in the year was Rs 14.85 lakhs. Deposits amounting to Rs 8.33 lakhs were repaid.

Seven Year Savings Bank Fixed Deposits

11. There were no fresh deposits during the year as the scheme of receiving these deposits was suspended from 4th November 1932. The balance at the commencement of the year was Rs 28.56 lakhs and it came down to Rs 25.68 lakhs at the close of the year. The fall is mainly due to the fact that the Fixed deposits aggregating Rs 2,87,000 -- purchased from the Mysore District Board in January 1935 for our General Investment account, was adjusted during the year under orders of Government and the liability reduced to this extent.

CURRENCY CHEST

12. In para 4 of G.O. No. Fl. 3991-4050/G.F. 79-35-2 dated 15-11-35 reviewing the last year's report on the Resource operations of the State, it has been stated that the further action to be taken in the matter of having currency chests in Mysore will be duly considered.

PUBLIC DEBT

Flotation of 3% Loan for 1956-61

13. With a view to financing a number of promising and

remunerative schemes, which were under contemplation, Government considered it desirable to raise a small public loan, taking advantage of the very cheap money conditions prevailing in the year. A 3 per cent 1956-61 loan (free of income-tax) was issued 'on tap' with discretion to close the loan and to vary the Issue rates at any time without notice. A premium of Re.1 and Rs 1-4-0 was also levied. The loan was opened for subscription on 5-2-1936 and it was closed on 15-7-1936. The total amount subscribed for this loan was Rs 48,96,500/- of which a sum of Rs 46,99,200 was subscribed to end of June 1936.

Discharge of 5½ % Conversion Loan of 1919-20

14. The loan is being repaid from 1st July 1935. The balance of the loan on 1st July 1935 was Rs 11,500/-. Of this, securities of the nominal value of Rs 6,500/- were discharged during the year leaving a balance of Rs 5000/- still to be discharged.

Discharge of 7% Loan of 1931

15. The balance under this loan on 1st July 1935 was Rs 1,30,700. During the year 1935-36 a sum of Rs 15,962-8-0 was paid leaving a balance of Rs 1,14,737-8-0 on 1st July 1936 still unpaid.

Discharge of 5% Chitaldrug Chickjajur Railway Loan

16. The loan is being repaid from 1st October 1933. The total amount repaid to end of 30th June 1936 is Rs 1,32,222. Of the -- remaining sum of Rs 57,000/- , outstanding under the Deposit head, Rs 9,700 represents the balance of loan still to be discharged and - Rs 47,300 represents amount payable to the District Board, Chitaldrug.

Discharge of 6% Tumkur Town Water Supply Loan

17. The balance of Rs 500/- left unpaid was paid in July 1936 during the current year.

7% Nanjangud Chamarajanagar Railway Loan

18. The amount of the loan repaid to end of 30th June 1936 is Rs 7,97,100/- (of which Rs 14,100/- was paid in 1935-36) and the balance still to be repaid is Rs 2,900/-.

Discharge of 5% Shimoga District Board Railway Loan

18A. The amount repaid during the year 1935-36 was Rs 1,156-4-0. Balance outstanding on 30-6-36 was Rs 3,51,970/-.

DEBT POSITION

19. The total debt position of the State including Unfunded Debt decreased during the year by Rs 84.60 lakhs as detailed below and this is due to the discharge of the 4 percent M.& S.M.Stock 1936 of £ 12,00,000

(In thousands of rupees)

Heads	Opening balance	Closing balance	Net Increase + Decrease -
	Rs	Rs	Rs
Permanent Debt	10,19,22	9,05,60	-1,13,62
Unfunded Debt			
Insurance and Provident Funds	1,84,00	2,01,47	+ 17,47
Savings Bank Current Deposits	1,61,~~50~~ 51	1,69,~~20~~ 30	+ 7,79
Savings Bank Fixed Deposits	1,33,60	1,37,24	+ 3,64
Endowment and Other Funds	14,41	14,53	+ 12
Total	15,12,78	14,28,18	-84,60

Investment Operations

20. As in the previous year, the policy of increasing our holdings in the Government of India 5½% 1938-40 Securities continued during the current year also. It was found possible to exchange 5% 1939-44 Securities into 5½% 1938-40 Securities, with small differences in prices in our favour, and as this meant gain to us both in interest as well as capital, 5% 1939-44 Securities of the nominal value of Rs 23 lakhs were exchanged into 5½% 1938-40 Securities. In addition to this, Rs 2 lakhs

of

of 3½% 1947-50 Securities were also exchanged into 5½% 1938-40 Securities.

21. The position in respect of our loans to be discharged before 1941 stands as under:-

Loan		Balance at the end of June 1936
5½% Conversion Loan (undischarged portion)		5,000
7 percent Loan	1931 do	1,14,700
6¼ per cent	1940	102,53,200
6½ per cent	1941-51	25,38,900
5½ per cent	1938	216,61,500
	Total Rs	345,73,300

22. The Government of India Securities held in the several investment accounts falling due for repayment before 1941 (taking the earlier years as the probable years of redemption) are as under -

5½ per cent	1938-40	Rs 90,91,500
5 per cent	1939-44	66,21,900
5 per cent	1940-43	33,51,100
	Total Rs.	190,64,500

23. Apart from the exchanges referred to, there were no new purchases in the year. Not only had all the available surplus to be conserved for the discharge of the 4% M.& S.M.Railway 1936 Stock of £ 1,200,000/- on the 1st of April 1936, but also large blocks of our holdings in certain securities had to be sold in this connection. All these amounts, as and when they became available, were immediately

transferred

transferred to London and kept with Messrs. Coutts & Co as fixed deposits till the 30th March 1936, under a special arrangement made with them. Government of India 5% and 6½% 1935 securities were repaid in the year and the proceeds of the securities of these loans held by us were also utilised for the repayment of the Sterling Loan.

24. As soon as necessary funds were placed at the disposal of the Secretary of State for India, all our securities held in the Railway Sterling Loan Sinking Fund Investment account and kept in the custody of the Controller of the Currency (Rupee Securities) and the Secretary of State for India (Sterling Stock) were returned to us and these were taken over to our General Investment account at their book value. The 4% M.& S.M. Railway Stock held in the General Investment and the Railway Sterling Loan Sinking Fund Investment accounts aggregating £ 3,89,991/- were got cancelled, and only the balance of £ 810,009/- was paid to the Secretary of State for India.

25. The several transactions relating to the above-mentioned exchanges, sales and realisations are summarised below -

(a) Exchanges -

Government of India 5% 1939-44 Securities for Rs 23 lakhs and 3½% 1947-50 Securities for Rs 2 lakhs were exchanged into 5½% 1938-40 securities for Rs 25 lakhs and a net sum of Rs 7,693-12-0 was received towards net difference in the prices, as detailed below -

Bonds given in Exchange		Bonds received in Exchange		Amount received by Government towards difference in cost
Loan	Face value	Loan	Face value	
Government of India 5% 1939-44	₹ 23,00,000	Government of India 5½% 1938-40	₹ 23,00,000	₹ 12,562- 8- 0
" 3½% 1947-50	2,00,000	do	2,00,000	-4,868-12- 0
Total	25,00,000		25,00,000	7,693-12- 0

(b) Sales -

The following Securities were sold during the year, in connection with the repayment of the 4% Sterling Loan :-

Loan	Face Value	Amount realised
(1) India 3½% Sterling Stock (£75,000)	₹ 10,00,000	₹ 9,79,986-11- 0
(2) 4% M.& S.M.Stock 1938 (£ 131,402)	17,52,027	17,91,836- 2- 0
(3) Government of India 3½% Paper	2,00,000	1,90,390-10- 0
(4) " " 5% 1939-44 Securities	6,00,000	6,50,250- 0- 0
(5) " " 5½% 1938-40 "	6,00,000	6,50,228-11- 0
(6) " " 4% 1960-70 "	10,00,000	10,54,765-10- 0
(7) " " 3½% 1947-50 "	8,00,000	8,17,750- 0- 0
	Rs. 59,52,027	Rs. 61,35,207-12- 0

(c) Realisations

We held Government of India 6½% 1935 Treasury Bonds for ₹ 6,05,000/- and 5% 1935 bonds for ₹ 10,81,600. Both these loans were paid on 14-9-35. The proceeds were, as already stated above, remitted to London in connection with the repayment of the Sterling Loan.

26. The Securities noted below which were held

in

in the Railway Sterling Loan Sinking Fund Investment account (excluding 4% M.& S.M. Railway 1936 Stock for £ 24,372 cancelled) were returned to us in the year, on payment of necessary funds for the discharge of the Sterling Loan.

Loan	Nominal value	Book cost
Sterling Securities		
1. 4% M.& S.M. 1938 Stock	£ 60,907	
2. 4% Bombay City Improvement Trust Debentures 1969-70	£ 31,300	
	£ 92,207	
Rupee Securities		1,22,18,561-15-0
3. 3% Government of India paper 1896-97	Rs 10,66,100	
4. 3½% do do 1865	108,23,400	
5. " do do 1842-43	17,500	
6. " do do 1900-01	4,16,300	
7. 4% do do 1960-70	1,00,000	
8. 4% Madras Municipal Debentures of 1913	1,45,000	
9. " " " " 1914	1,41,000	
10. " " " " 1895	14,000	
	Rs 127,23,300	

27. As a result of the sales, exchanges and realisations referred to above, there was a total profit of Rs 19,87,899-7-10 on certain securities and a loss of Rs 17,565-10-0 on certain other securities. Out of the profit realised, a sum of Rs 16,51,309-6-10 relating to the 4% M.& S.M.1936 and 1938 Stocks, which had been purchased in the past from time to time solely to facilitate the repayment of the Sterling Loan, was, under orders of Government, credited

credited to a new head of account (outside the Revenue account) styled "Gain on sale or discharge of Sterling Securities". The balance of Rs 3,36,590-1-0 relating to the other securities sold during the year was adjusted to the credit of the Revenue head "XIII.Miscellaneous-Gain on sale of Securities". The loss of Rs 17,565-10-0 referred to was in respect of the 6½% 1935 Treasury Bonds realised in the year and it was debited to "17.Miscellaneous-Loss on sale of Securities" It may be stated in this connection that the difference between the book balance of the Railway Sterling Loan and the equivalent of £ 12,00,000 (at 1sh 6d per rupee), being the amount of the loan discharged on 1-4-1936, viz., Rs 61,569-5-7 was also treated as a capital gain and adjusted to the credit of the new head of account referred to, just as in the case of profit realised on 4% M.& S.M.Stocks.

Treasury Bills and Fixed Deposits in Banks

28. Treasury Bills and Fixed Deposits of the nominal value of Rs 28,95,333 were outstanding on 1st July 1935. The subjoined statement shows the particulars of short term investments in Treasury Bills and Fixed Deposits made during the year.

Date	Particulars	Nominal value	Interest yield per annum
18- 7-1935	Amount fixed with Messrs. Coutts & Co., till 30-3-36 (£ 73,500)	Rs 9,80,000	1- 0- 0
26- 7-1935	do (£ 40,800)	5,44,000	1- 0- 0
3- 8-1935	do (£ 20,000)	2,66,666	1- 0- 0
19- 8-1935	do (£ 15,000)	2,00,000	1- 0- 0
20- 8-1935	do (£ 93,600)	12,48,000	1- 0- 0
3- 9-1935	do (£ 15,000)	2,00,000	1- 0- 0
13- 9-1935	do (£ 30,000)	4,00,000	1- 0- 0
23- 9-1935	do (£ 42,100)	5,61,333	1- 0- 0
do	do (£ 77,900)	10,38,667	0-12- 0
30- 9-1935	do (£ 45,000)	6,00,000	0-12- 0
8-10-1935	do (£ 71,000)	9,46,667	0-12- 0
21-10-1935	do (£ 60,000)	8,00,000	0-12- 0
25-10-1935	do (£ 25,000)	3,33,333	0-12- 0
1-11-1935	do (£ 25,000)	3,33,333	0-12- 0
2-11-1935	do (£ 20,000)	2,66,666	0-12- 0
4-12-1935	do (£ 15,000)	2,00,000	0-12- 0
3- 1-1936	do (£ 15,000)	2,00,000	0-12- 0
3- 2-1936	do for 3 months (£15,000)	2,00,000	0-12- 0
28- 2-1936	Amount fixed with the Bank of Mysore Ltd., for 1 year	2,00,000	2- 0- 0
do	do Imperial Bank of India Bangalore for 1 year	2,00,000	1- 8- 0
2-3-1936	do the Central Bank of India Ltd., Bombay for 1 year	2,00,000	2- 8- 0
3-3-1936	do Coutts & Co., London for 3 months (£15,000)	2,00,000	0-12- 0
28-4-1936	do with the Bank of Mysore Ltd., Bangalore for 1 year	5,00,000	2- 0- 0
do	do Imperial Bank of India Bangalore for 1 year	5,00,000	1- 8- 0
2- 4-1936	do Coutts & Co., for (£40,000) 1 month	5,33,333	0-12- 0
5- 6-1936	do Coutts & Co., for 1 month (£50,000)	6,66,667	0-12- 0

The total nominal value of Fixed Deposits that were outstanding at the end of the year amounted to Rs 22,66,667/-.

Securities held as Reserve against Liabilities

29. The details of several classes of securities and the liabilities against which they are held are given in Statements "C", "D", & "E". The special contribution of ₹ 50 lakhs given during the year 1934-35 to the Loan Sinking Fund Reserve Account, in connection with the repayment of the 4% Sterling Loan was withdrawn in the Current year, as the Sterling Loan was entirely repaid on 1st April 1936. The balances at credit of the several reserve funds and other liabilities and the percentage of investments to be held in respect of them according to G.O.No.Fl. 5719 dated 25-2-1930 are detailed in Statement "E". The market value of the Securities on 30th June 1936 as shown in the Statement, is more by ₹ 41.90 lakhs than the amount required to be invested, but the book value is less by ₹ 31.82 lakhs.

TRANSFER OF FUNDS FROM LONDON TO INDIA AND VICE VERSA.

30. The balances with Messrs. Coutts & Co., London on the 1st of each month were systematically reviewed every month and action taken to keep the surplus money available with the Bank as Fixed deposits for the discharge of M.&.S.M. Railway sterling loan due on 1-4-1936. The subjoined statement shows the amount transferred from India to London from time to time and these transfers were intended for the discharge of the sterling loan. There was no transfer of money from London to India during the year.

TRANSFER OF FUNDS FROM INDIA TO LONDON DURING 1935-36.

Date of debit in the account of the Imperial Bank of India, Bombay	Amount transferred	Rate at which transfer was effected	Equivalent in Rupees-- Rs. As.Ps.	Through whom transfer was effected---.
17--8-1935	£15,000	1- 6 3/32	1,98,963-11--8	Imperial Bank of
10--9-1935	£30,000	-do-	3,97,927--7--5	of India Bombay
18--9-1935	£40,000	-do-	5,30,569-15--2	-do
19--9-1935	£40,000	-do-	5,30,569-15--2	-do
-do-	£40,000	-do-	5,30,569-15--2	Eastern Bank Bombay
27--9-1935	£45,000	-do-	5,96,891--3--0	Imperial Bank of India Bombay
3-10-1935	£23,000	-do-	3,05,077-11--6	-do-
-do-	£23,000	-do-	3,05,077-11--6	Eastern Bank Bombay
4-10-1935	£25,000	-do-	3,31,606--3--6	Imperial Bank of India Bombay
18-10-1935	£30,000	-do-	3,97,927--7--4	-do-
-do-	£30,000	-do-	3,97,927--7--4	Easter Bank Bombay
25-10-1935	£25,000	1-6 1/8	3,31,034--7--9	-do-
1-11-1935	£25,000	1- 6 3/32	3,31,606--3--6	-do-
Total.	3,91,000		51,85,749--8--0	

AGREEMENT WITH THE IMPERIAL BANK OF INDIA, BANGALORE.

31. The arrangement referred to in para 30 of the last year's report continued during the year. The Bank has suggested a revision in the terms for the year 1936-37 so as to make them more favourable to it, and the matter is under consideration.

DISCHARGE OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY FOUR PER CENT DEBENTURE STOCK 1936.--

32. This loan was due for discharge on 1st April 1936 and steps were taken well in time as noted in para 32 of the last year's report and para 23 above, and the funds required for the purpose were placed at the disposal of the Secretary of State for India on the 30th March 1936.

ACCOUNT IN THE BERLIN BANK.

33. The permission granted by the German Government for the opening of an account in the Reichs-Kredit Gesellschaft in Berlin till the end of December 1935 was extended first till the end of June 1936 and again till the end of December 1936. The balance in the Berlin Bank on 1-7-1936 was -- Rm.70.290. The receipts and payments during the year under report were Rm.120,029 and Rm.163,549 respectively leaving a balance of Rm.26,770 at the close of the year.

As already stated in the previous report, the question as to how best the balances in the above Bank could be utilised was under consideration, in view of the restrictions imposed by the German Government for the transfer of funds from that country. In their official Memorandum No.2296-2360/S.O.F.7-34-19 dated 4/8-10-35, Government issued orders directing the Secretary, Stores Purchase Committee, to keep in view the possibility of using up the Government balance in Germany by ordering goods of German manufacture, subject of course to quality and prices being acceptable and also the officers in charge of departments which are large purchasers to co-operate with the Stores Purchase Committee in this behalf. As a result of these instructions, the balances, which were mounting up month after month, came to be reduced from April 1936 onwards, so much so, that the balance on 1-8-1936 was an overdraft of Rm.551.22 for which necessary permission has been obtained.

SUPPLY BILLS AND CASH ORDERS.

34. As stated in para 34 of last year's report liberalisation of the rules regarding the issue of supply bills was effected and a scheme of Treasury Cash orders on the analogy of the postal cash orders was also introduced from April 1936 in accordance with G.O.No.Fl.6092-~~16~~ 101/G.F.4-35-2 dated 11-2-1936 with a view to afford further facilities to the public to tfansfer funds from one place to another through the Government treasuries and wide publicity given by advertisement in the local gazette. The Mysore Bank as well as the public availed the convenience. The total ~~number~~ amount of supply bills issued during the year was Rs.70,29,764 as against Rs.59,04,850 in the previous year. The entire sum was issued in favour of the Bank of Mysore,Ltd., Bangalore excepting a sum of Rs.12,464 issued in the Districts of Kolar, Mysore, Kadur and Shimoga to private parties. The total amount of cash orders issued from the date on which the system was introduced was Rs.29,345-5-10. Details of the amounts issued under these heads by treasuries are given below:-

(1) Supply Bills.

	Amount.	Premium realised.
State Huzur Treasury	.. ..	..
Bangalore District	.. 1,39,000	86-14--0
Kolar "	11,20,400	182--3--0
Tumkur "	.. 3,72,500	112--8--0
Shimoga "	..18,30,800	1,134-12--0
Kadur "	.. 89,064	61--4--0
Chitaldrug "	.. 2,00,000	125--0--0
Mysore "	..26,36,000	828-12--0
Hassan "	.. 6,42,000	401--4--0
Total	70,29,764	2,927--9--0

(2) Cash Orders.

State Huzur Treasury	.. 1,648-13--0	2--7--0
Bangalore District	.. 913-10--0	2--4--0
Kolar "	.. 2,937--0--0	4,--0--0
Tumkur "	.. 3,219--0--0	4--7--0
Shimoga "	.. 2,230-10--0	3--9--0
Kadur "	.. 3,672--6--0	5-12--0
Chitaldrug "	.. 3,871--0--0	6--6--0
Mysore "	.. 5,504-14-10	8--7--0
Hassan "	.. 5,348--0--0	8-15--0
Total	..29,345--5-10	46--3--0

The amount of premium realised in the case of supply bills was Rs.2,927-9-0 as against Rs.2,055-5-0 in previous year. In addition to supply bills issued to the Bank of Mysore, Ltd. a sum of Rs.12.82 lakhs was paid to the branches of the Bank by the Treasuries against credit to the Dewan's deposit account with the Head office of the Bank at Bangalore. The Bank is not charged any commission for such transfers.

SUPPLY OF SMALL COINS.

35. The total amount of small coins obtained from the Currency Office, Madras, for use in the State Treasuries during 1935-36 aggregated Rs.1,93,100/- as detailed below against Rs.1,51,900 in 1934-35 and Rs.1,27,300 in 1933-34. The entire amount was in nickel and bronze coins and was supplied by the Government of India free of remittance charges under the standing arrangement. The supplies in nickel were partly of old and partly of new coins while those of bronze were all new ones.

DETAILS OF COINS.

	1935-36	1934-35	1933-34.
	Rs.	Rs.	Rs.
Nickel Two annas	56,500	47,500	23,500
" One anna	67,000	48,000	38,000
Bronze Quarter anna	58,500	45,500	55,500
" 1/12 anna	11,100	10,900	10,300
Total	1,93,100	1,51,900	1,27,300

COMPTROLLER.

KR)

Statement A. - Statement showing the Government Cash Balance in Treasuries and Banks at the beginning of each month during 1935-36 compared with the corresponding balance in 1934-35.

In Thousands.

Months.	1935-36 In State Treasuries.	In Banks.	With Messrs. Coutts & Co, London (including Berlin Bank).	In transit.	Total.	1934-35 In State treasuries.	In Banks.	With Messrs. Coutts & Co, (Including Berlin Bank.)	In transit.	Total.
July	46.39	48.68	6.15	20	101.42	43.19	60.83	1.39	-	105.41
August	33.77	38.51	7.75		80.03	30.95	61.82	1.76		94.53
September	32.83	32.20	7.18	13	72.34	31.33	31.91	3.47		66.71
October	31.94	30.24	5.83		68.01	33.06	22.34	2.42	.03	57.85
November	33.80	37.46	7.29		78.55	32.15	61.54	4.09		97.78
December	33.48	39.02	6.58		79.08	32.55	44.36	6.74	.15	83.80
January	34.54	32.92	6.48		73.94	36.50	22.18	3.98	-.15	62.51
February	32.81	20.40	6.67		59.88	31.50	28.45	2.41	.18	62.54
March	50.39	47.82	6.78	05	105.04	48.59	25.58	7.27	.20	81.64
April	51.91	51.66	9.83	05	113.45	46.07	37.24	6.16	.10	89.51
May	48.62	67.42	3.53		119.57	46.40	36.76	14.66	.40	98.22
June	53.83	76.44	5.41		135.68	47.65	47.55	8.97	.05	104.22
Total.	484.31	522.77			1086.99	459.94				1004.78
Average per month.	40.36	43.56			90.58	38.33				83.73

A. Raghavan
Comptroller

Statement B. - Statement showing balances in Savings Bank Current and Fixed Deposits during 1935-36. as per preliminary accounts compared with the corresponding balances in 1934-35.

(In Thousands).

Month.	1935-36. Current Deposits.	Fixed Deposits. 5 years.	Fixed Deposits. 7 years.	Total.	1934-35. Current Deposits.	Fixed Deposits. 5 years.	Fixed Deposits. 7 years.	Total.
Opening Balance.	161.50	105.04	28.56	295.10	184.99	94.00	30.06	309.05
July	162.46	104.00	28.56	295.02	190.80	96.45	30.04	317.29
August	162.50	104.24	28.56	295.30	179.58	97.42	30.02	307.02
September	165.22	104.66	28.56	298.44	179.60	97.45	30.02	307.07
October	164.48	105.84	28.56	298.88	179.12	97.97	30.02	307.11
November	166.78	106.73	28.56	302.07	179.18	97.95	30.16	307.29
December	167.06	107.66	25.70	300.42	177.34	98.12	30.16	305.62
January	165.82	107.08	25.69	298.59	177.09	102.28	30.15	309.52
February	165.19	107.89	25.69	298.77	175.25	102.33	30.15	307.78
March	166.37	108.20	25.68	300.25	171.23	104.29	29.65	305.22
April	164.99	108.67	25.68	299.34	169.70	103.93	29.62	303.25
May	164.34	110.04	25.67	300.05	168.52	105.13	28.65	302.30
June	169.30	111.56	25.68	306.54	161.50	105.04	28.56	295.10

A. D. Raghavaiah
Comptroller

Statement C. - Statement showing the face value and the market value of Investments held on 30th June 1935 and 30th June 1936.

No.	Particulars.		30th June 1935. Face value.	30th June 1935. Market value.	30th June 1936. Face value.	30th June 1936. Market value.
1.	3% Government of India paper	1896-97.	4000	3253	1070100	909585
2.	~~3~~ 3½	" (old)	11566000	10973243	22623200	22439386
3.	"	" Securities 1947-50	6047900	6195318	5047900	5413873
4.	4%	" 1960-70	6251600	6657954	5351600	6181099
5.	4½%	" 1955-60	1570100	1782063	1570100	1876269
6.	5%	" 1935	1081600	1085656	-	-
7.	"	" 1939-44	9521900	10313408	6621900	7184762
8.	"	" 1940-43	3351100	3677833	3351100	3715531
9.	5½%	" 1938-40	7191500	7784799	9091500	9773362
10.	6½%	" 1935	605000	609915	-	-
11.	4% Punjab Loan	" 1948	150000	150000	150000	150000
12.	" State Loan ~~1953-63~~	1953-63	187700	199431	187700	208816
13.	5% " ~~1955~~	1955	3400	4007	3400	4190
14.	6% Sugar Co. Debentures.	1938-44	960000	960000	960000	960000
15.	3½% India Sterling Stock.		1000000	977500	-	-
16.	4% M & S.M. Stocks 1936-& 1938		6626947	6792621	812093 *	812100
17.	4% Bombay Improvement Trust Debentures.		-	-	417333 @	417300
18.	4% Madras Municipal Debentures.		-	-	300000	300000
	Total.		56118747	58167001	57557926	60346273
	Fixed Deposits and Treasury Bills.		2895333	2895333	2266667	2266667

* Equivalent of £60907 M & S.M. 1938 Stock.

@ Equivalent of £31,300.

Comptroller.

S.S.

Statement D. - Statement showing the distribution of securities with the Famine Insurance Fund, the Depreciation Fund, and the G

No.	Description of Securities.	Loan Sinking Fund Investment Account. Face value. Rs.	Loan Sinking Fund Investment Account. Market value. Rs.	Famine Insurance Fund Investment Account. Face value. Rs	Famine Insurance Fund Investment Account. Market value. Rs.	D I F
1.	3 per cent Govt. of India Bonds 1896-97.					
2.	3½% Govt of India Bonds.	8043200	7977849	3322800	3295802	
3.	4% 1960-70.	2300000	2656500	551000	636405	22
4.	5% 1940-43.	3351100	3715531	...	...	
5.	4½% 1955-60	...	...	...	...	10
6.	5% Bonds 1939-44.	4413900	4789082	1696900	1841136	
7.	5½% Bonds 1938-40.	8109500	8717712	...	...	
8.	3½% Bonds 1947-50.	2671500	2865184	1693100	1815850	
9.	4% M & S.M. Railway Debenture Stock 1938.					
10.	4 per cent Punjab Loan 1948.	150000	150000			
11.	4 per cent State Loan 1953-63.					
12.	5 per cent State Loan 1955.					
13.	4 per cent Bombay Improvement Trust Debentures.					
14.	4% per cent Madras Municipal Debentures.					
15.	Mysore Sugar Co, 6 per cent Debentures.					
	Total.	29039200	30871858	7263800	7589193	45941
	Book Cost.	27570798		6265632		42308

(a) Equival
(b) do

ir market value on 30th June 1936, among the Sinking Fund,
al Investment Accounts.

ciation Fund tment Account. value.	Market value.	General Investment Account. Face value.	Market value.	Total. Face value.	Market value.	Rate as per market report dated Bombay 30-6-36.
		Rs.	Rs.	Rs.	Rs.	
		1070100	909585	1070100	909585	85- 0-0
		11257200	11165735	22623200	22439386	99- 3-0
2000	2589510	258600	298684	5351600	6181099	115- 8-0
				3351100	3715531	110-14-0
0100	1278769	500000	597500	1570100	1876269	119- 8-0
0000	325500	211100	229044	6621900	7184762	108- 8-0
2000	1055650			9091500	9773362	107- 8-0
		683300	732839	5047900	5413873	107- 4-0
		(a) 812093	812093	812093	812093	100- 0-0 (Nominal)
				150000	150000	100- 0-0 (Nominal)
		187700	208816	187700	208816	111- 4-0
		3400	4190	3400	4190	123- 4-0
		(b) 417333	417333	417333	417333	100- 0-0 (Nominal)
		300000	300000	300000	300000	100- 0-0 (Nomina)
		960000	960000	960000	960000	100- 0-0 (Nominal)
5249429		16660826	16635819	57557926	60346299	
		14906864		52974137		

f £60,907
£31300.

A. R. Leyhausen
Comptroller
India

Statement E. - Statement showing the state of investments held for Sinking and other Funds and other liabilities at the close of the year 1935-36.

No.	Particulars.	Opening balance on 1st July 1935.	Net receipts for 1935-36 as per Preliminary accounts.	Balance on 30th June 1936.	Proportion of the amount to be invested.	Amount of column 5 to be invested as per column 6.	Face value of securities on 30th June 1936.	Book value of securities held on 30th June 1936.	Market value of securities.	Excess + or Deficiency - (7-9)
1.	2	3 Rs.	4 Rs.	5 Rs.	6	7 Rs.	8 Rs.	9 Rs.	10 Rs.	11. Rs.
1.	Sinking Fund for Loans. Rs.	30692800	-3122000	27570800	Whole	27570800	29039200	27570800	30871900	---
2.	Famine Insurance Fund. Rs.	6265600	"	6265600	"	6265600	7263800	6265600	7589200	---
3.	Depreciation Funds. -									
	(i) Electrical Works.	6080800	187800	6268600						
	(ii) Kolar Gold Fields Water Works.	658700	38600	697300						
	(iii) Sandal Oil Factory.	700100	9500	709600	50 per cent.	~~1594100~~ 4460600	~~4230800x~~ 4594100	~~5242400x~~ 4230800	5249400	-229800
	(iv) Railways.	794400	126400	920800						
	(v) Chamaraj Sagar & Water Works.	158300	79000	237300						
	(vi) Other Industrial Concerns.	83400	4100	87500						
4.	Other Liabilities. -									
	(i) Savings Bank Current & Fixed Deposits.	29510500	1143100	30653600	40 do	12261400	16660800	14906900	16635800	-2952500
	(ii) Provident Funds.	4455500	255300	4710800						
	(iii) Life Insurance Fund.	13944200	1492000	15436200	20 do	5598000				
	(iv) Local and Other Funds.	2558900	24300	2583200						
	(v) Deposits.	4025200	1234400	5259600						
	Total.	99928400.	1472500.	101400900.		56156400.	57557900.	52974100.	60346300.	-3182300.

A. Rajamani
Comptroller

Statement F. - Statement showing the balances to be maintained normally at the several Treasuries in the State during each month.

(Reference to para 2 in the Report).

Sl.No.	Treasuries.	July.	August.	September.	October.	November.	December.	January.	February.	March.	April.	May.	June.
1.	S.H.Treasury.	5.00	5.00	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00
2.	Bangalore District.	3.00	2.50	2.25	2.00	2.00	2.00	2.25	2.50	3.50	3.25	3.00	3.00
3.	Kolar District.	2.00	2.00	2.00	2.00	2.00	2.00	2.50	2.50	3.00	3.00	3.00	2.50
4.	Tumkur District.	2.50	2.50	2.50	2.25	2.25	2.25	2.50	2.50	3.00	3.00	3.00	3.00
5.	Shimoga District.	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.50	3.50	3.00	3.00
6.	Kadur District.	2.50	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.50	2.50	2.50	2.00
7.	Chitaldrug District.	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.25	3.25	3.25	3.00
8.	Mysore District.	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
9.	Hassan District.	2.00	2.00	2.00	2.00	2.00	2.00	2.25	2.25	2.50	2.50	2.50	2.00
	Total.	30.00	29.50	28.75	28.00	28.00	28.00	29.75	30.50	33.25	33.00	32.25	30.50

S.S.

Comptroller.

C.1.7.100 36-2

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

Fe 3088 Encl
9/10/11

To the Supdt. Govt Printing

Sir,

I am directed to forward herewith a Copy of the Comptr's report on the Revenue operations of the State for the Year 1935-36 & to request that it may be set in type, & the usual number of Copies printed & kept ready to be bound & issued with the Govt Report which will be sent to you shortly.

The Proof may, as usual, be sent to the Secretary and to the Comptroller's Office for Verification.

Yours &c.

Fe 3089 9/10/11 WF 9/11 & Encl
Copy to Comptr

L.D.1/40
17.X.36.

8/X/

WD 0255—GPR—10,000—23-8-32

C.R.100-36-3

Proceedings of the Government of H.H. the Maharaja of Mysore.

R e a d:-

Letter No.388/Books dated 25.9.1936, from the Comptroller to Government, submitting his report on the Resource operations of the State for the year ending 30th June 1936.

7/12/36 ORDER NO. Fe 3996-605

Dated, Bangalore, the 16th November 1936.

The average monthly balance held in Treasuries during the year has been generally more than that during the previous two years and also more than the prescribed normal balances.

As Government have been repeatedly observing, earnest endeavours should be made by the Treasury Officers to keep the Treasury balances as low as possible and remit all excess funds to Bangalore.

2. The Balances in the Savings Bank current accounts increased from ~~Rs.~~ Rs. 161.51 lakhs to Rs.169.30 lakhs.

3. During the year under report, a 3 per cent 1956-61 loan, free of income tax was issued at a premium of Re.1/- raised later to 1-4-0 per centum on the "on tap" basis. It was kept open for

for subscription from 5.2.1936 to 15.7.1936 and the total amount subscribed to end of June 1936 was Rs.46,99,200/-.

4. The 4% M.&.S.M. Railway Sterling Loan of £.1,200,000 was discharged on 1.4.1936. As a result of sales, and exchanges of several scrips, chiefly in connection with the redemption of the said Sterling loan, a profit of about Rs.20/- lakhs was realised. Out of this a sum of about Rs.16½ lakhs was credited to a new head of Account, outside the Revenue Account, styled "Gain on sale or discharge of Sterling Securities".

5. In addition to the scheme of supply Bills which was availed of as usual, chiefly by the Bank of Mysore, a new scheme of Treasury Cash Orders was introduced in April 1936 to enable the public to transfer funds from one Treasury to another. During the year under report a sum of Rs.29,000/- was transferred by the issue of such cash orders

LRAFT). 16/11
FINANCIAL SECRETARY TO GOVERNMENT.

The Comptroller to Government.
" Secretaries to Government.
" Other Heads of Departments.
" ~~Xxxxxxxxxx~~ Deputy Commrs. of Dists.
" Superintendent, Government Printing.

K.M.R.1.
16.11.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS
THE MAHARAJA OF MYSORE

Read:-

Letter No.388/Books dated 25.9.1936, from the Comptroller to Government, submitting his report on the Resource Operations of the State for the year ending 30th June 1936.

ORDER NO. Fc 3596-655 S.F.C.O.3.B.S 19. December

Dated, Bangalore, the ~~27th November~~ 1936.

The average monthly balance held in Treasuries during the year has been generally more than that during the previous two years and also more than the prescribed normal balances.

As Government have been repeatedly observing, earnest endeavours should be made by the Treasury Officers to keep the Treasury balances as low as possible and remit all excess funds to Bangalore.

2. The balances in the Savings Bank current accounts increased from Rs.161.51 lakhs to Rs.169.30 lakhs.

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4. The 4½ M.&.S.M. Railway Sterling Loan of £.1,200,000 was discharged on 1.4.1936. As a result of sales, and exchanges of several scrips, chiefly in connection with the redemption of the said Sterling loan, a profit of about ~~Rs.~~ Rs. 20/- lakhs was realised. Out of this a sum of about Rs.16½ lakhs was credited to a new head of Account, outside the Revenue Account, styled "Gain on sale or discharge of Sterling Securities.

5. In addition to the scheme of supply Bills which was availed of as usual, chiefly by the Bank of Mysore, a new scheme of Treasury Cash Orders was introduced in April 1936 to enable the public to transfer funds from one Treasury to another. During the year under report a sum of Rs.29,000 was transferred by the issue of such cash orders.

K Venkata Rao
for Financial Secretary to Government.

The Comptroller to Government.
Secretaries to Government.
Other Heads of Departments.

P.F.O.

COMPTROLLER'S REPORT ON THE RESOURCE OPERATIONS OF THE STATE FOR THE YEAR ENDED 30TH JUNE 1936

WITH THE GOVERNMENT REVIEW THEREON.

S.O.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 3596-656—G. F. 100-36-3, dated 1st December 1936.

Resource Operations.

Reviews the report on the —— of the State for the year ending 30th June 1936.

READ—

Letter No. 388—Books, dated 25th September 1936, from the Comptroller to Government, submitting his report on the Resource Operations of the State for the year ending 30th June 1936.

ORDER NO. FL. 3596-655—G. F. 100-36-3, DATED BANGALORE, THE 1ST DECEMBER 1936.

The average monthly balance held in treasuries during the year has been generally more than that during the previous two years and also more than the prescribed normal balances.

As Government have been repeatedly observing, earnest endeavours should be made by the Treasury Officers to keep the treasury balances as low as possible and remit all excess funds to Bangalore.

2. The balances in the Savings Bank Current Accounts increased from Rs. 161·51 lakhs to Rs. 169·30 lakhs.

3. During the year under report, a 3 per cent 1956-61 loan, free of Income-tax was issued at a premium of Re. 1 raised later to Rs. 1-4-0 per centum on the "on tap" basis. It was kept open for subscription from 5th February 1936 to 15th July 1936 and the total amount subscribed to end of June 1936, was Rs. 46,99,200.

4. The 4 per cent M. & S. M. Railway Sterling Loan of £1,200,000 was discharged on 1st April 1936. As a result of sales, and exchanges of several scrips, chiefly in connection with the redemption of the said Sterling Loan, a profit of about Rs. 20 lakhs was realised. Out of this, a sum of about Rs. 16½ lakhs was credited to a new head of account, outside the Revenue Account, styled "Gain on sale or discharge of Sterling Securities."

5. In addition to the scheme of Supply Bills which was availed of as usual, chiefly by the Bank of Mysore, a new scheme of Treasury Cash Orders was introduced in April 1936 to enable the public to transfer funds from one treasury to another. During the year under report, a sum of Rs. 29,000 was transferred by the issue of such cash orders.

S. SHAMANNA,
Secretary to Government,
Financial Department.

To—The Comptroller to Government.
The Secretaries to Government.
The other Heads of Departments.
The Deputy Commissioners of Districts.
The Superintendent, Government Printing.

Exd.—C. K.

WD 1038—GPB—470—11-12-36

REPORT ON THE RESOURCE OPERATIONS OF THE STATE FOR THE YEAR ENDED 30TH JUNE 1936.

Comparison of Balances.

The cash balance in treasuries and banks at the beginning of each month during 1935-36, as compared with the corresponding balance in 1934-35, is detailed in Statement "A" appended. The balances in treasuries were generally more during the year than in the previous two years, the average monthly balance in the year being Rs. 40·36 lakhs against Rs. 38·33 lakhs and Rs. 38·50 lakhs in the years 1934-35 and 1933-34 respectively. The monthly average of the total balance was Rs. 90·58 lakhs as against Rs. 83·73 lakhs in 1934-35 and Rs. 91·17 lakhs in 1933-34.

Treasuries and Banks.

2. The balances held in treasuries were more than the normal balances prescribed throughout the year and increases are particularly noticeable in the balances held on 1st July 1935 and on the 1st of each of the four months from March to June 1936. These may however be attributed to the fact that the revenue collections begin to flow into the treasuries generally in the last days of the month, too late to be remitted to Bangalore. The increases in other months range from Rs. 2·31 lakhs to Rs. 5·80 lakhs. Although the minimum balances can only be regarded as a guide to the treasuries in regulating their balances, and although the question of maintenance of balances in treasuries depends upon the varying demands on the treasuries that might arise in different periods, the need for the treasuries keeping a constant and regular watch over the balances cannot but be reiterated. In the review of last year's report Government have emphasised the need for Treasury Officers exercising greater vigilance to see that all funds in excess of the prescribed level are remitted to Bangalore in time.

3. The balances in current accounts with Banks in India were less in some months and more in some other months as compared with those of the corresponding periods of last year. The large increase in the balances from March to June 1936 was chiefly due to additional cash received during the period on account of the 3 per cent loan of 1956-61. The money was allowed to be continued in the current account with the Banks, as the yield on Treasury Bills was less than the interest allowed by the Banks on current account balances and as the Banks would not accept deposits for periods less than one year. The issue of Treasury bills had also been stopped for some time. In spite of the difficulty in finding suitable temporary investments, a sum of Rs. 16 lakhs was fixed with Banks for one year during the period February to April 1936 carrying interest at rates varying from 1½ per cent to 2½ per cent per annum.

4. The balances in the current account with Messrs. Coutts and Company, London, which include also balances in the Berlin Bank, were generally more than those of the corresponding periods of last year, except in the months of December 1935, March, May and June 1936. This is partly due to the fact that, during 1934-35, the transactions in the Berlin Bank were incorporated in the General Books only from February 1935 while, during 1935-36, they are being booked regularly every month and that further owing to the restrictions placed on the transfer of funds in the Berlin Bank, the balances there which ranged from about ¾ lakh to about Rs. 1¾ lakhs remained practically ineffective.

Payment of Subsidy to the British Government.

5. The first instalment of the subsidy of Rs. 12¼ lakhs due on the 31st January 1936 to the Government of India was paid on the due date as under:—

	Rs.	a.	p.
In cash	9,35,130	4	2
By adjustment of the surplus revenue of the Assigned Tract for 1934-35	2,89,869	11	10
Total ...	12,25,000	0	0

The second instalment of the subsidy of Rs. 12¼ lakhs due on the 31st March 1936 was paid on the due date.

Cash Transactions of the year.

6. The balance at the commencement of the year was Rs. 101·42 lakhs and that at the close of the year was Rs. 154·11 lakhs. At the beginning of the year, there were Treasury Bills of the nominal value of Rs. 14·75 lakhs and fixed deposits of Rs. 14·20 lakhs making a total of Rs. 28·95 lakhs. At the close of the year, the amount held in Fixed Deposits aggregated Rs. 22·67 lakhs and there were no Treasury Bills on hand. A summary of the transactions of the year, as per preliminary accounts, is given below:—

Heads	*Incomings* (In thousands of rupees)	*Outgoings* (In thousands of rupees)
Total Revenue	3,81,63	...
Total expenditure charged to Revenue	...	3,71,93
Contribution by District Boards or Railway Companies for construction of Railways	2	..
Commutation of pensions (Net)	...	1,10
Gain on sale or discharge of Sterling Securities ...	17,13	...
Capital outlay not charged to Revenue	...	26,70
Investment Account (Net)	1,16,20	...
Permanent and Temporary Debt (Net)	...	1,13,62
Unfunded Debt (Net)	29,03	...
Reserve Funds (Net)	22,80	...
Local and Other Funds (Net)	24	...
Deposits (Net)	12,35	...
Advances (Net)	...	8,06
Loans (Net)	...	7,36
Other Debt Heads (Net)	2,06	...
Total ...	5,81,46	5,28,77
Net incomings ...	...	52,69
Grand Total ...	5,81,46	5,81,46

The above statement shows that there was a net incoming of cash to the extent of Rs. 52·69 lakhs as a result of the operations of the year which may be attributed as due chiefly to the flotation of the new 3 per cent 1956-61 Loan.

Interest Realised on Balances in Current Account with Banks and Temporary Investments.

7. The following statement shows the amount of interest realised on (i) monthly balances with the Imperial Bank of India, Bangalore, the Bank of Mysore Limited, Bangalore, and Messrs. Coutts and Company, London, and (ii) Fixed

Deposits and Treasury Bills, as compared with those realised during the previous two years.

Banks		Interest on current accounts	Interest on temporary deposits including Treasury Bills	Total
		Rs.	Rs.	Rs.
Imperial Bank of India, Bangalore.	1933-34 ...	11,462	57,992	69,454
	1934-35 ...	4,344	21,847	26,191
	1935-36 ...	11,025	6,453	17,478
Bank of Mysore, Limited, Bangalore.	1933-34 ...	27,953	...	27,953
	1934-35 ...	33,789	...	33,789
	1935-36 ...	32,802	...	32,802
Imperial Bank of India, Bombay	1933-34 ...	...	2,500	2,500
	1934-35 ...	...	3,000	3,000
	1935-36 ...	...	3,000	3,000
Messrs. Coutts & Co., London	1933-34 ..	747	1,417	2,164
	1934-35 ...	1,844	425	2,269
	1935-36 ...	2,784	52,487	55,271
State Huzur Treasury	1935-36 ...	...	7,893(*a*)	7,893
Adjustments	1933-34 ...	...	7,114*	7,114
	1934-35 ...	...	...	...
	1935-36 ...	...	4,960(*b*)	4,960
Total	1933-34 ...	40,162	69,023	1,09,185
	1934-35 ...	39,977	25,272	65,249
	1935-36 ...	46,611	74,793	1,21,404

*Represents premia realised in respect of Government of India three months Treasury Bills of the nominal value of Rs. 13½ lakhs tendered for conversion to the 3½ per cent 1947-50 Loan (2nd issue) in June 1934.

(*a*) Represents interest realised on two 6½ per cent seven year fixed deposits for Rs. 1,34,400 and Rs. 1,52,600 for the half-year ended 5-7-35 and 8-8-35 respectively.

(*b*) Accrued interest on the two seven year deposits referred to above on the date of their cancellation, *viz.*, 13-11-35.

It will be seen that the interest realised both on current accounts and on deposits including Treasury Bills was more than in the previous two years. This is attributable to the large amount of money kept either in short term investments or in current accounts so as to make it available on 1st April 1936 for the discharge of the Madras and Southren Mahratta Railway four per cent debenture stock.

Savings Bank Transactions and Balances.

8. The balances in Savings Bank Current and Fixed deposits during 1935-36 compared with the corresponding balances in 1934-35 are detailed in Statement 'B' appended.

Savings Bank Current Deposits.

9. The balances in the Savings Bank current accounts which stood at Rs. 161·51 lakhs at the commencement of the year rose to Rs. 169·30 lakhs at the end of the year including the sum of Rs. 3·22 lakhs adjusted towards interest for the year. Excluding the amount adjusted towards interest, the net incoming under the head amounts to Rs. 4·57 lakhs.

In view of the easy money conditions that prevailed during the year, the question of revision of interest rates on these deposits was taken up and Government, in their Order No. Fl. 8801-60—G. F. 310-35-1, dated 26th June 1936, directed that, with effect from 1st July 1936 and until further orders, the following rates of interest be allowed on call deposits in the Government Savings Banks :—

(1) Two and a half per cent per annum on balances up to Rs. 10,000.

(2) One and three-fourths per cent per annum on balances in excess of Rs. 10,000 and up to Rupees one lakh.

(3) Three-fourths per cent per annum on balances in excess of Rs. 1 lakh, up to Rs. 2 lakhs.

(4) No interest on balances in excess of Rs. 2 lakhs.

(5) In respect of accounts opened for Public and Quasi Government funds, interest at one and three-fourths per cent per annum will be allowed on balances in excess of Rs. 10,000 up to any amount, in addition to interest at two and a half per cent on balances up to Rs. 10,000 as a special case.

Five-year Savings Bank Fixed Deposits.

10. The balance at the commencement of the year under this head was Rs. 105·04 lakhs and Rs. 111·56 lakhs at the end of the year. The rate of interest at which these deposits were accepted during the year was 3 per cent per annum. This rate has been since reduced to 2¾ per cent per annum from 1st July 1936. The total amount of deposits received in the year was Rs. 14·85 lakhs. Deposits amounting to Rs. 8·33 lakhs were repaid.

Seven-year Savings Bank Fixed Deposits.

11. There were no fresh deposits during the year as the scheme of receiving these deposits was suspended from 4th November 1932. The balance at the commencement of the year was Rs. 28·56 lakhs and it came down to Rs. 25·68 lakhs at the close of the year. The fall is mainly due to the fact that the Fixed deposits aggregating Rs. 2,87,000 purchased from the Mysore District Board in January 1935 for our General Investment account was adjusted during the year under orders of Government and the liability reduced to this extent.

Currency Chest.

12. In para 4 of Government Order No. Fl. 3991-4050—G. F. 79-35-2, dated 15th November 1935, reviewing the last year's report on the Resource operations of the State, it has been stated that the further action to be taken in the matter of having currency chests in Mysore will be duly considered.

Public Debt.

13. *Flotation of Three per cent Loan of 1956-61.*—With a view to financing a number of promising and remunerative schemes, which were under contemplation, Government considered it desirable to raise a small public loan, taking advantage of the very cheap money conditions prevailing in the year. A three per cent 1956-61 loan (free of income-tax) was issued 'on tap' with discretion to close the loan and to vary the issue rates at any time without notice. A premium of Rs. 1 and Rs. 1-4-0 was also levied. The loan was opened for subscription on 5th February 1936 and it was closed on 15th July 1936. The total amount subscribed for this loan was Rs. 48,96,500 of which a sum of Rs. 46,99,200 was subscribed to end of June 1936.

Discharge of 5½ per cent Conversion Loan of 1919-20.

14. The loan is being repaid from 1st July 1933. The balance of the loan on 1st July 1935 was Rs. 11,500. Of this, securities of the nominal value of Rs. 6,500 were discharged during the year leaving a balance of Rs. 5,000 still to be discharged.

Discharge of Seven per cent Loan of 1931.

15. The balance under this loan on 1st July 1935 was Rs. 1,30,700. During the year 1935-36 a sum of Rs. 15,962-8-0 was paid leaving a balance of Rs. 1,14,737-8-0 on 1st July 1936 still unpaid.

Discharge of five per cent Chitaldrug-Chickjajur Railway Loan.

16. The loan is being repaid from 1st October 1933. The total amount repaid to end of 30 June 1936 is Rs. 1,32,222. Of the remaining sum of Rs. 57,000 outstanding under the Deposit head, Rs. 9,700 represents the balance of loan still to be discharged and Rs. 47,300 represents the amount payable to the District Board, Chitaldrug.

Discharge of Six per cent Tumkur Town Water Supply Loan.

17. The balance of Rs. 500 left unpaid was paid in July 1936 during the current year.

Seven per cent Nanjangud Chamarajanagar Railway Loan.

18. The amount of the loan repaid to end of 30th June 1936 is Rs. 7,97,100 (of which Rs. 14,100 was paid in 1935-36) and the balance still to be repaid is Rs. 2,900.

Discharge of Five per cent Shimoga District Board Railway Loan.

19. The amount repaid during the year 1935-36 was Rs. 1156-4-0. Balance outstanding on 30th June 1936 was Rs. 3,51,970.

Debt Position.

20. The total debt position of the State including Unfunded Debt decreased during the year by Rs. 84·60 lakhs as detailed below and this is due to the discharge of the 4 per cent M. & S. M. Stock 1936 of £ 1,200,000.

[In Thousands of Rupees.]

Heads	Opening Balance	Closing Balance	Net Increase+ Decrease—
Permanent Debt	10,19,22	9,05,60	—1,13,62
Unfunded Debt—			
Insurance and Provident Funds ...	1,84,00	2,01,47	+17,47
Savings Bank Current Deposits ...	1,61,51	1,69,30	+7,79
Savings Bank Fixed Deposits	1,33,60	1,37,24	+3,64
Endowment and other Funds	14,41	14,53	+12
Total ...	15.12,74	14,28,14	—84,60

Investment Operations.

21. As in the previous year, the policy of increasing our holdings in the Government of India 5½ per cent 1938-40 Securities continued during the current year also. It was found possible to exchange five per cent 1939-44 Securities into 5½ per cent 1938-40 Securities, with small differences in prices in our favour, and as this meant gain to us both in interest as well as capital, five per cent 1939-44 Securities of the nominal value of Rs. 23 lakhs were exchanged into 5½ per cent 1938-40 Securities. In addition to this, Rs. 2 lakhs of 3½ per cent 1947-50 Securities were also exchanged into 5½ per cent 1938-40 Securities.

22. The position in respect of our loans to be discharged before 1941 stands as under :—

Loan.			*Balance at the end of June 1936.*
			Rs.
5½ Per cent Conversion Loan (undischarged portion)		...	5,000
7 Per cent Loan 1931	Do	...	1,14,700
6¼ Per cent Loan 1940	...	...	1,02,53,200
6½ Per cent Loan 1941-51	...	...	25,38,900
5½ Per cent Loan 1938	...	...	2,16,61,500
	Total	...	3,45,73,300

23. The Government of India Securities held in the several Investment accounts falling due for repayment before 1941 (taking the earlier years as the probable years of redemption) are as under :—

			Rs.
5½ Per cent Loan 1938-40	...	...	90,91,500
5 Per cent Loan 1939-44	...	...	66,21,900
5 Per cent Loan 1940-43	...	...	33,51,100
		Total	1,90,64,500

24. Apart from the exchanges referred to, there were no new purchases in the year. Not only had all the available surplus to be conserved for the discharge of the 4 per cent M. & S. M. Railway 1936 Stock of £ 1,200,000 on the 1st of April 1936, but also large blocks of our holdings in certain securities had to be sold in this connection. All these amounts, as and when they became available, were immediately transferred to London and kept with Messrs. Coutts and Company as fixed deposits till 30th March 1936, under a special arrangement made with them. Government of India 5 per cent and 6½ per cent 1935 securities were repaid in the year and the proceeds of the securities of these loans held by us were also utilised for the repayment of the Sterling Loan.

25. As soon as necessary funds were placed at the disposal of the Secretary of State for India, all our securities held in the Railway Sterling Loan Sinking Fund Investment account and kept in the custody of the Controller of the Currency (Rupee Securities) and the Secretary of State for India (Sterling Stock) were returned to us and these were taken over to our General Investment account at their book value. The 4 per cent M & S M Railway Stock held in the General Investment and the Railway Sterling Loan Sinking Fund Investment accounts aggregating £ 389,991 were got cancelled, and only the balance of £ 810,009 was paid to the Secretary of State for India.

26. The several transactions relating to the abovementioned exchanges, sales and realisations are summarised below :—

(*a*) *Exchanges.*— Government of India 5 per cent 1939-44 Securities for Rs. 23 lakhs and 3½ per cent 1947-50 Securities for Rs. 2 lakhs were exchanged into 5½ per cent 1938-40 securities for Rs. 25 lakhs and a net sum of Rs. 7,693-12-0 was received towards net difference in the prices, as detailed below :—

Bonds given in Exchange		Bonds received in Exchange		Amount received by Government towards difference in cost
Loan	Face value	Loan	Face value	
	Rs.		Rs.	Rs. a. p.
Government of India 5% 1939-44 ...	23,00,000	Government of India 5½% 1938-40.	23,00,000	12,562 8 0
Government of India 3½% 1947-50 ...	2,00,000	Do ...	2,00,000	—4,868 12 0
Total ...	25,00,000		25,00,000	7,693 12 0

(*b*) Sales.—The following securities were sold during the year, in connection with the repayment of the 4 per cent Sterling Loan.

	Loan.	*Face value.*	*Amount realised.*
		Rs.	Rs. a. p.
(1)	India 3½% Sterling Stock (£75,000) ...	10,00.000	9,79,986 11 0
(2)	4% M. & S. M. Stock 1938 (£131,402) ...	17,52.027	17,91,836 2 0
(3)	Government of India 3½% Paper ...	2,00,000	1,90,390 10 0
(4)	Do 5% 1939-44 Securities	6,00.000	6,50,250 0 0
(5)	Do 5½% 1938-40 do ...	6,00.000	6,50,228 11 0
(6)	Do 4% 1960-70 do ...	10.00,000	10,54,765 10 0
(7)	Do 3½% 1947-50 do ...	8,00,000	8,17,750 0 0
		59,52,027	61,35,207 12 0

(*c*) *Realisations.*—We held Government of India 6½ per cent 1935 Treasury Bonds for Rs. 6,05,000 and 5 per cent 1935 bonds for Rs. 10,81,600. Both these loans were paid on 14th September 1935. The proceeds were, as already stated above, remitted to London in connection with the repayment of the Sterling Loan.

27. The securities noted below which were held in the Railway Sterling Loan Sinking Fund Investment (excluding 4 per cent M. & S. M. Railway 1936 Stock for £24,372 cancelled) were returned to us in the year, on payment of necessary funds for the discharge of the Sterling Loan.

	Loan.	*Nominal value.*	*Book cost.*
Sterling Securities—		£	
1.	4% M. & S. M. 1938 Stock	60,907	
2.	4% Bombay City Improvement Trust Debentures 1969 and 70	31,300	
		92,207	
Rupees Securities—		Rs.	
3.	3% Government of India paper 1896–97	10,66,100	
4.	3½% do 1865	1,08,23,400	
5.	do do 1842–43	17,500	Rs. a. p. 1,22,18,561 15 0
6.	do do 1900–01	4,16,300	
7.	4% do Loan 1960–70	1,00,000	
8.	4% Madras Municipal Debentures of 1913	1,45,000	
9.	Do do 1914	1,41,000	
10.	Do do 1895	14,000	
		1,27,23,300	

28. As a result of the sales, exchanges and realisations referred to above, there was a total profit of Rs. 19,87,899-7-10 on certain securities and a loss of Rs. 17,565-10-0 on certain other securities. Out of the profit realised, a sum of Rs. 16,51,309-6-10 relating to the 4 per cent M. & S. M. 1936 and 1938 Stocks, which had been purchased in the past from time to time solely to facilitate the repayment of the Sterling Loan, was, under orders of Government, credited to a new head of account (outside the Revenue account) styled "Gain on sale or discharge of Sterling Securities". The balance of Rs. 3,36,590-1-0 relating to the other securities sold during the year was adjusted to the credit of the Revenue head "XIII. Miscellaneous—Gain on sale of Securities." The loss of Rs. 17,565-10-0 referred to was in respect of the 6½ per cent 1935 Treasury Bonds realised in the year and it was debited to "17. Miscellaneous—Loss on sale of Securities." It may be stated in this connection that the difference between the book balance of the Railway Sterling Loan and the equivalent of £ 1,200,000 (at 1sh. 6d. per rupee) being the amount of the loan discharged on 1st April 1936, *viz.*, Rs. 61,569-5-7 was also treated as a capital gain and adjusted to the credit of the new head of account referred to just as in the case of profit realised on 4 per cent M. & S. M. Stocks.

Treasury Bills and Fixed Deposits in Banks.

29. Treasury Bills and Fixed Deposits of the nominal value of Rs. 28,95,333 were outstanding on 1st July 1935. The subjoined statement shows the particulars

of short-term investments in Treasury Bills and Fixed Deposits made during the year.

Date	Particulars	Nominal value	Interest yield per annum
		Rs.	Rs. a. p.
18th July 1935 ...	Amount fixed with Messrs. Coutts & Co., till 30th March 1936 (£73,500).	9,80,000	1 0 0
26th July 1935 ...	Do do (£40,800),	5,44,000	1 0 0
3rd August 1935 ...	Do do (£20,000).	2,66,666	1 0 0
19th August 1935 ...	Do do (£15,000).	2,00,000	1 0 0
20th August 1935 ...	Do do (£93,600).	12,48,000	1 0 0
3rd September 1935 ...	Do do (£15,000).	2,00,000	1 0 0
13th September 1935 ...	Do do (£30,000).	4,00,000	1 0 0
23rd September 1935 ...	Do do (£42,100).	5,61,333	1 0 0
Do ...	Do do (£77,900).	10,38,667	0 12 0
30th September 1935 ...	Do do (£45,000).	6,00,000	0 12 0
8th October 1935 ...	Do do (£71,000).	9,46,667	0 12 0
21st October 1935 ...	Do do (£60,000).	8,00,000	0 12 0
25th October 1935 ...	Do do (£25,000).	3,33,333	0 12 0
1st November 1935 ...	Do do (£25,000).	3,33,333	0 12 0
2nd November 1935 ...	Do do (£20,000).	2,66,666	0 12 0
4th December 1935 ...	Do do (£15,000).	2,00,000	0 12 0
3rd January 1936 ...	Do do (£15,000).	2,00,000	0 12 0
3rd February 1936 ...	Amount fixed with Messrs. Coutts & Co., for three months (£15,000).	2,00,000	0 12 0
28th February 1936 ...	Amount fixed with the Bank of Mysore Ltd., for one year.	2,00,000	2 0 0
Do ...	Amount fixed with the Imperial Bank of India, Bangalore for one year.	2,00,000	1 8 0
2nd March 1936 ...	Amount fixed with the Central Bank of India, Ltd., Bombay for one year.	2,00,000	2 8 0
3rd March 1936 ...	Amount fixed with Messrs. Coutts & Co., London for three months (£15,000).	2,00,000	0 12 0
28th April 1936 ...	Amount fixed with the Bank of Mysore Ltd., Bangalore for one year.	5,00,000	2 0 0
Do ...	Amount fixed with the Imperial Bank of India, Bangalore for one year.	5,00,000	1 8 0
2nd April 1936 ...	Amount fixed with Messrs. Coutts & Co., for one month (£40,000).	5,33,333	0 12 0
5th June 1936 ...	Amount fixed with Messrs. Coutts & Co., for one month (£50,000).	6,66,667	0 12 0

The total nominal value of Fixed Deposits that were outstanding at the end of the year amounted to Rs. 22,66,667.

Securities held as Reserve against Liabilities.

30. The details of several classes of securities and the liabilities against which they are held are given in Statements "C" "D", and "E". The special contribution of Rs. 50 lakhs given during the year 1934-35 to the Loan Sinking Fund Reserve Account, in connection with the repayment of the 4 per cent Sterling Loan was withdrawn in the current year, as the sterling loan was entirely repaid on 1st April 1936. The balances at credit of the several reserve funds and other liabilities and the percentage of investments to be held in respect of them according to G. O. No. Fl. 5719, dated 25th February 1930 are detailed in Statement "E". The market value of the Securities on 30th June 1936 as shown in the Statement is more by Rs. 41·90 lakhs than the amount required to be invested, but the book value is less by Rs. 31·82 lakhs.

Transfer of Funds from London to India and Vice Versa.

31. The balances with Messrs. Coutts & Co., London on the first of each month were systematically reviewed every month and action taken to keep the

surplus money available with the Bank as Fixed deposits for the discharge of M. & S. M. Railway sterling loan due on 1st April 1936. The subjoined statement shows the amount transferred from India to London from time to time and these transfers were intended for the discharge of the sterling loan. There was no transfer of money from London to India during the year.

TRANSFER OF FUNDS FROM INDIA TO LONDON DURING 1935-36.

Date of debit in the account of the Imperial Bank of India, Bombay	Amount transferred	Rate at which transfer was effected	Equivalent in rupees	Through whom transfer was effected
	£	sh. d.	Rs. a. p.	
17th August 1935 ...	15,000	1 6 3/32	1,98,963 11 8	Imperial Bank of India, Bombay.
10th September 1935	30,000	do	3,97,927 7 5	do
18th do ...	40,000	do	5,30,569 15 2	do
19th do ...	40,000	do	5,30,569 15 2	do
Do do ...	40,000	do	5,30,569 15 2	Eastern Bank, Bombay.
27th September 1935	45,000	do	5,96,891 3 0	Imperial Bank of India, Bombay.
3rd October 1935 ...	23,000	do	3,05,077 11 6	do
Do ...	23,000	do	3,05,077 11 6	Eastern Bank, Bombay.
4th October 1935 .	25,000	do	3,31,606 3 6	Imperial Bank of India, Bombay.
18th October 1935...	30,000	do	3,97,927 7 4	do
Do ...	30,000	do	3,97,927 7 4	Eastern Bank, Bombay.
25th October 1935...	25,000	1 6 1/8	3,31,034 7 9	do
1st November 1935...	25,000	1 6 3/32	3,31,606 3 6	do
Total ...	3,91,000		51,85,749 8 0	

AGREEMENT WITH THE IMPERIAL BANK OF INDIA, BANGALORE.

32. The agreement referred to in para 30 of the last year's report continued during the year. The Bank has suggested a revision in the terms for the year 1936-37 so as to make them more favourable to it and the matter is under consideration.

DISCHARGE OF THE MADRAS AND SOUTHERN MAHRATTA RAILWAY FOUR PER CENT DEBENTURE STOCK 1936.

33. This loan was due for discharge on 1st April 1936 and steps were taken well in time as noted in para 32 of the last year's report and para 24 above, and the funds required for the purpose were placed at the disposal of the Secretary of State for India on the 30th March 1936.

ACCOUNT IN THE BERLIN BANK.

34. The permission granted by the German Government for the opening of an account in the Richs-Kredit Gesellschaft in Berlin till the end of December 1935 was extended first till the end of June 1936 and again till the end of December 1936. The balance in the Berlin Bank on 1st July 1936 was Rm. 70,290. The receipts and payments during the year under report were Rm. 120,029 and Rm. 163,549 respectively leaving a balance of Rm. 26,770 at the close of the year.

As already stated in the previous report, the question as to how best the balances in the above Bank could be utilised was under consideration, in view of

the restrictions imposed by the German Government for the transfer of funds from that country. In their official Memorandum No. 2296-2360—S. O. F. 7-34-19. dated 4/8-10-35, Government issued orders directing the Secretary, Stores Purchase Committee, to keep in view the possibility of using up the Government balance in Germany by ordering goods of German manufacture, subject of course to quality and prices being acceptable and also the officers in charge of departments which are large purchasers to co-operate with the Stores Purchase Committee in this behalf. As a result of these instructions, the balances which were mounting up month after month came to be reduced from April 1936 onwards, so much so, that the balance on 1st August 1936 was an overdraft of Rm. 551·22 for which necessary permission has been obtained.

Supply Bills and Cash Orders.

35. As stated in para 34 of last year's report liberalisation of the rules regarding the issue of supply bills was effected and a scheme of Treasury Cash Orders on the analogy of the postal cash orders was also introduced from April 1936 in accordance with G.O. No. Fl. 6092-101—G. F. 4-35-2, dated 11th February 1936 with a view to afford further facilities to the public to transfer funds from one place to another through the Government treasuries and wide publicity given by advertisement in the local gazette. The Mysore Bank as well as the public availed the convenience. The total amount of supply bills issued during the year was Rs. 70,29,764 as against Rs. 59,04,850 in the previous year. The entire sum was issued in favour of the Bank of Mysore, Ltd., Bangalore excepting a sum of Rs. 12,464 issued in the Districts of Kolar, Mysore, Kadur and Shimoga to private parties. The total amount of cash orders issued from the date on which the system was introduced was Rs. 29,345-5-10. Details of the amounts issued under these heads by treasuries are given below :—

(1) *Supply Bills.*

Treasury.	*Amount.* Rs.	*Premium realised.* Rs. a. p.
State Huzur Treasury	...	...
Bangalore District	1,39,000	86 14 0
Kolar do	11,20,400	182 3 0
Tumkur do	3,72,500	112 8 0
Shimoga do	18,30,800	1,134 12 0
Kadur do	89,064	61 4 0
Chitaldrug do	2,00,000	125 0 0
Mysore do	26,36,000	823 12 0
Hassan do	6,42,000	401 4 0
Total ...	70,29,764	2,927 9 0

(2) *Cash Orders.*

State Huzur Treasury	1,648 13 0	2 7 0
Bangalore District	913 10 0	2 4 0
Kolar do	2,937 0 0	4 0 0
Tumkur do	3,219 0 0	4 7 0
Shimoga do	2,230 10 0	3 9 0
Kadur do	3,672 6 0	5 12 0
Chitaldrug do	3,871 0 0	6 6 0
Mysore do	5,504 14 10	8 7 0
Hassan do	5,348 0 0	8 15 0
Total ...	29,345 5 10	46 3 0

The amount of premium realised in the case of supply bills was Rs. 2,927-9-0 against Rs. 2,055-5-0 in previous year. In addition to supply bills issued to the Bank of Mysore, Ltd., a sum of Rs. 12·82 lakhs was paid to the branches of the Bank by the Treasuries against credit to the Dewan's deposit account with the Head office of the Bank at Bangalore. The Bank is not charged any commission for such transfers.

Supply of Small Coins.

36. The total amount of small coins obtained from the Currency Office, Madras, for use in the State Treasuries during 1935-36 aggregated Rs. 1,93,100 as detailed below against Rs. 1,51,900 in 1934-35 and Rs. 1,27,300 in 1933-34. The entire amount was in nickel and bronze coins and was supplied by the Government of India free of remittance charges under the standing arrangement. The supplies in nickel were partly of old and partly of new coins while those of bronze were all new ones.

Details of Coins.

		1935-36	*1934-35*	*1933-34*
		Rs.	Rs.	Rs.
Nickel Two annas	...	56,500	47,500	23,500
Do One anna	...	67,000	48,000	39,000
Bronze Quarter anna	...	58,500	45,500	55,500
Do 1/12 anna	...	11,100	10,900	10,300
Total	...	1,93,100	1,51,900	1,27,300

A. N. RAGHAVACHAR,
Comptroller.

STATEMENT A.—Statement showing the Government Cash Balance in Treasuries and Banks at the beginning of each month during 1935-36 compared with the corresponding balance in 1934-35.

(In thousands) (Reference to para 1 in the Report.)

Months	1935-36					1934-35				
	In State Treasuries	In Banks	With Messrs. Coutts & Co.	In transit	Total	In State Treasuries	In Banks	With Messrs. Coutts & Co.	In transit	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
July	46·39	48·68	6·15	20	101·42	43·19	60·83	1·39	...	1,05·41
August	33·77	38·51	7·75	...	80·03	30·95	61·82	1·76	...	94·53
September	32·53	32·20	7·18	13	72·34	31·33	31·91	3·47	...	66·71
October	31·94	30·24	5·83	...	68·01	33·06	22·34	2·42	·03	57·85
November	33·80	37·46	7·29	...	78·55	32·15	61·54	4·09	...	97·78
December	31·45	39·02	6·58	..	79·08	32·55	44·36	6·74	·15	83·80
January	31·54	32·92	6·48	...	73·94	36·80	22·18	3·98	—·15	62·51
February	32·81	20·40	6·67	...	59·88	31·50	28·45	2·41	·18	62·54
March	50·39	47·82	6·78	05	105·04	48·59	25·68	7·27	·20	91·64
April	51·91	51·66	9·83	05	113·45	46·07	37·21	6·16	·10	89·57
May	48·62	67·42	3·53	...	119·57	46·40	36·76	11·66	·40	98·22
June	53·83	76·44	5·41	...	135·68	47·65	47·55	5·97	·05	1,01·22
Total ...	4,84·31				10,86·99	4,59·94				10,04·78
Average per month ...	40·36				90·58	38·33				83·73

STATEMENT B.—Statement showing balances in Savings Bank Current and Fixed Deposits during 1935-36 as per preliminary accounts compared with the corresponding balances in 1934-35.

(In thousands.) (Reference to para 8, 9, 10 and 11 in the Report.)

Months	1935-36				1934-35			
	Current Deposits	Fixed Deposits		Total	Current Deposits	Fixed Deposits		Total
		5 Years	7 Years			5 Years	7 Years	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening Balance ..	161 51	105·04	28·56	295·11	184·59	94·09	30·66	309·05
July ..	162·46	101·09	28·56	295·02	190·80	96·45	30·04	317·29
August ...	162·50	104·24	28·56	295·30	179·58	97·42	30·02	307·02
September ...	165·22	104·66	28.56	298·44	179 60	97·45	30 02	307·07
October ...	164·48	105·84	28·66	298·88	179·12	97·97	30·02	307·11
November ...	166·78	106·73	29·56	302·07	179·18	97·95	30·16	307·29
December ...	167·06	107·66	25·70	300·42	177·34	98 12	30·16	305·62
January ...	165 82	107 08	25·69	298·59	177·09	102·28	30·15	309·52
February ...	165·19	107·89	25·69	298·77	175·25	102·38	30·15	307·78
March ...	166·87	103·20	25·68	300·25	171·28	104·29	29·65	305·22
April ...	164·99	108·67	25·65	299·31	169·70	103.93	29·62	303·25
May ...	164·34	110·04	25·67	300·05	168·52	105·13	26·65	302·30
June ..	169·30	111·56	25·68	306·54	161·51	105·04	28·56	295·11

STATEMENT C.—Statement showing the face value and the market value of Investments held on 30th June 1935 and 30th June 1936.

(Reference to para 30 in the Report.)

No.	Particulars	30th June 1935		30th June 1936	
		Face value	Market value	Face value	Market value
		Rs.	Rs.	Rs.	Rs.
1	3% Government of India Paper 1896-97	4,000	3,253	10,70,100	9,09,585
2	3½% ,, (Old)	1,15,66,000	1,09,73,243	2,26,23,900	2,24,39,386
3	,, Securities 1947-50	60,47,900	61,95,318	60,47,900	54,13,873
4	4% ,, 1960-70	62,51,600	66,57,951	53,51,600	61,81,099
5	4½% ,, 1955-60	15,70,100	17,62,063	15,70,100	18,76,269
6	5% ,, 1935	10,81,600	10.85,656	..	...
7	,, ,, 1939-44	95,21,900	1,03,18,408	66,21,900	71.64,762
8	.. ,, 1940-43	33,51,100	36,77,633	33,51,100	37.15,531
9	5½% ,, 1938-40	71,91,500	77,84,799	90,91,500	97,73,362
10	6½% ,, 1935	6,65 000	6,69.915	..	...
11	4% Punjab Loan 1948	1.50.000	1.50,000	1.50,000	1.50.000
12	4% State Loan 1953-63	1,87,700	1,99,431	1,87,700	2,08.916
13	5% ,, 1955	3,400	4,067	3,400	4,130
14	6% Sugar Co. Debentures 1938-41	9,60,000	9.60,000	9.60.000	9,60.000
15	3½% India Sterling Stock	10,00.000	9,77,500	...	...
16	4% Madras and Southern Mahratta Railway Stocks 1936 and 1938...	66,26,947	67,92,621	8,12.093*	8,12.093
17	4% Bombay Improvement Trust Debentures...	...	...	4,17,333†	4,17,333
18	4% Madras Municipal Debentures	...	...	3,00,000	3,00,000
	Total ..	5,61,18,747	5,81,67,001	5,75,57,926	6,03,46,299
	Fixed Deposits and Treasury Bills	28,95,333	28.95,333	22,66.667	22,66,667

*Equivalent of £. 60,907.
Do £. 31,300.

STATEMENT D.—Statement showing the distribution of securities with their market value on 30th June 1936 among the Sinking Fund, Famine Insurance Fund, Depreciation Fund, and the General Investment Accounts.

(Reference to para 30 in the Report.)

No.	Description of Securities	Loan Sinking Fund Investment Account		Famine Insurance Fund Investment Account		Depreciation Fund Investment Account		General Investment Account		Total		Rate as per Bombay Market Report, dated 30th June 1936
		Face value	Market value	Face value	Market value	Face value	Market value	Face value	Market value	Face value	Market value	
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs. a. p.
1	3 per cent Government of India Bonds 1896-97	...	...	...	...	...	...	10,70,100	9,09,585	10,70,100	9,09,585	85 0 0
2	3½ per cent ,, ,, (old)	80,43,200	79,77,849	33,22,800	32,95,892	...	...	1,12,57,200	1,11,65,735	2,26,23,200	2,24,39,386	99 3 0
3	4 ,, ,, 1960-70	23,00,000	26,56,500	5,51,000	6,36,405	22,42,000	25,89,510	2,58,600	2,98,684	53,51,600	61,81,099	115 8 0
4	5 ,, ,, 1940-43	33,51,100	37,15,531	...	...	...	...	...	...	33,51,100	37,15,531	110 14 0
5	4½ ,, ,, 1955-60	...	...	...	...	10,70,100	12,78,769	5,00,000	5,97,500	15,70,100	18,76,269	119 8 0
6	5 ,, ,, 1939-44	44,13,900	47,89,082	16,96,900	18,41,186	3,00,000	3,25,500	2,11,100	2,29,044	66,21,900	71,84,762	108 8 0
7	5½ ,, ,, 1938-40	81,09,200	87,17,712	...	...	9,82,000	10,55,650	...	...	90,91,500	97,73,362	107 8 0
8	3½ ,, ,, 1947-50	26,71,500	28,65,184	16,93,100	18,15,850	...	...	6,83,300	7,32,839	50,47,900	54,13,873	107 4 0
9	4 per cent M. & S. M. Ry. Deb. Stock 1936	...	...	...	...	...	...	(a)8,12,093	8,12,093	8,12,093	8,12,093	100 0 0 (Nominal)
10	4 per cent Punjab Loan 1948	1,50,000	1,50,000	...	...	...	...	...	...	1,50,000	1,50,000	100 0 0 (Nominal)
11	4 per cent State Loan Bonds 1953-63	...	...	...	...	...	...	1,87,700	2,08,816	1,87,700	2,08,816	111 4 0
12	5 per cent State Loan 1955	...	...	...	...	...	...	3,400	4,190	3,400	4,190	123 4 0
13	4 per cent Bombay Improvement Trust Debentures	...	...	...	...	...	...	(b)4,17,333	4,17,333	4,17,333	4,17,333	100 0 0 (Nominal)
14	4 per cent Madras Municipal Debentures	...	...	...	...	...	...	3,00,000	3,00,000	3,00,000	3,00,000	100 0 0 (Nominal)
15	Mysore Sugar Company 6 per cent Debentures	...	...	...	...	...	...	9,60,000	9,60,000	9,60,000	9,60,000	100 0 0 (Nominal)
	Total ...	2,90,39,200	3,08,71,858	72,63,800	75,89,193	45,94,100	52,49,429	1,66,60,826	1,66,85,819	5,75,57,926	6,03,46,299	...
	Book Cost ...	2,75,70,798	...	62,65,632	...	42,30,843	...	1,49,06,864	...	5,29,74,137	...	...

(a) Equivalent of £ 60,907.
(b) Do £ 31,300.

STATEMENT E.—Statement showing the state of Investments held for Sinking and other Funds and other liabilities as at the close of the year 1935-36.

(Reference to para 30 in the Report.)

No.	Particulars	Opening balance on 1st July 1935	Net receipts for 1935-36 (as per preliminary accounts)	Balance on 30th June 1936	Proportion of the amount to be invested	Amount of Column 5 to be invested as per column 6	Face value of securities on 30th June 1936	Book value of securities held on 30th June 1936	Market value of securities	Excess + or Deficiency — (7—9)
1	2	3	4	5	6	7	8	9	10	11
		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	Rs.
1	Sinking Fund for Loans	3,06,92,800	—31,22,000	2,75,70,800	Whole	2,75,70,800	2,90,39,200	2,75,70,800	3,06,71,900	
2	Famine Insurance Fund	62,65,600	...	62,65,600	,,	62,65,600	72,63,800	62,65,600	75,59,200	
3	Depreciation Funds—									
	(i) Electrical Works	60,80,900	1,87,800	62,68,600						
	(ii) K. G. F. Water Works	6,58,700	38,600	6,97,300						
	(iii) Sandal Oil Factory	7,00,100	9,500	7,09,600						
	(iv) Railways	7,91,400	1,26,400	9,20,800	50 per cent	44,60,600	45,94,100	42,36,800	52,49,400	—2,29,800
	(v) Chamarajsagar Water Works	1,58,800	79,000	2,37,300						
	(vi) Other Industrial Concerns	83,400	4,100	87,500						
4	Other Liabilities—									
	(i) Savings Bank Current and Fixed Deposits.	2,95,10,500	11,43,100	3,06,53,600	40 per cent	1,22,61,400				
	(ii) Provident Funds	41,55,500	2,55,300	47,10,800			1,66,60,800	1,49,06,900	1,66,35,800	—29,52,500
	(iii) Life Insurance Funds	1,39,41,200	14,92,000	1,54,36,200	20 per cent	55,98,000				
	(iv) Local and other Funds	25,58,900	24,300	25,83,200						
	(v) Deposits	40,25,200	12,34,100	52,59,600						
	Total	9,99,28,400	14,72,500	10,14,00,900		5,61,56,400	5,75,57,900	5,29,74,100	6,03,16,300	—31,82,300

STATEMENT F.—Statement showing the balances to be maintained normally at the several Treasuries in the State during each month.

(Reference to para 2 in the Report.)

Sl.No.	Treasuries	July	August	September	October	November	December	January	February	March	April	May	June
1	S. H. Treasury	5·00	5·00	4·50	4·50	4·50	4·50	5·00	5·00	5·00	5·00	5·00	5·00
2	Bangalore District	3·00	2·50	2·25	2·00	2·00	2·00	2·25	2·50	3·50	3·25	3·00	3·00
3	Kolar District	2·00	2·00	2·00	2·00	2·00	2·00	2·50	2·50	3·00	3·00	3·00	2·50
4	Tumkur District	2·50	2·50	2·50	2·25	2·25	2·25	2·50	2·50	3·00	3·00	3·00	3·00
5	Shimoga District	3·00	3·00	3·00	3·00	3·00	3·00	3·25	3·25	3·50	3·50	3·00	3·00
6	Kadur District	2·50	2·50	2·50	2·25	2·25	2·25	2·25	2·25	2·50	2·50	2·50	2·00
7	Chitaldrug District	3·00	3·00	3·00	3·00	3·00	3·00	3·00	3·25	3·25	3·25	3·25	3·00
8	Mysore District	7·00	7·00	7·00	7·00	7·00	7·00	7·00	7·00	7·00	7·00	7·00	7·00
9	Hassan District	2·00	2·00	2·00	2·00	2·00	2·00	2·25	2·25	2·50	2·50	2·50	2·00
	Total ...	30·00	29·50	28·75	28·00	28·00	28·00	29·75	30·50	33·25	33·00	32·25	30·50

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